

# **RSM DISCOVERY** 19

*Management Knowledge*

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# Making better partner matches in brand alliances

By **Bram Van den Bergh**

**With many brand alliances failing to add value, understanding the factors that make for a strong pairing becomes essential. Appropriately, harnessing techniques similar to those used by dating sites to determine whether people will make a good match has helped reveal the answers.**



Developers of dating sites are now perilously close to understanding what sparks good chemistry in a couple. By studying their data closely, they have gained deep insight into the factors that determine whether two people will be a good or a bad match. When it comes to building brand alliances, however, romance, rather than science, is still the rule.

Philips and Douwe Egberts teamed up when they designed the Senseo coffee brand, while Nestle, Krups and

Magimix partnered to create the famous Nespresso brand. But what if Philips had teamed up with Nestle? Would Douwe Egberts sell more coffee if they had partnered with Krups? Even in the era of Big Data, marketers know surprisingly little about what makes a brand alliance successful: as many as 80 per cent of all marketing alliances fail to add any value at all, and a few may even destroy it.

As with most people, choosing the right partner is important, but finding

and selecting the right partner is difficult. As that 80 per cent figure suggests, the drivers of brand fit are still not well understood. Some scholars have theorised that brands that share complementary characteristics make for better matches and that brand fit results from pairing dissimilar brands ("opposites attract"). Others have argued that as in human relationships, "birds of a feather flock together" and that brand fit results from pairing similar brands.

The evidence of the marketplace suggests that practitioners are similarly uncertain. For instance, Red Bull uses Renault engines for their Formula One racing vehicles, but uses Nissan's Infinity brand as the team's title sponsor. Why is Red Bull teaming up with Nissan and Renault – two dissimilar brands – rather than with Ferrari, a successful Formula One team with a much more similar brand image?

## Partner selection

To help solving the problem of partner selection in brand alliances, my colleagues Ralf van der Lans (associate professor of marketing at Hong Kong University of Science and Technology) and Evelien Dieleman (a former MSc student at Rotterdam School of Management) and I tried to clarify the structure of brand fit. We used techniques similar to those used by dating site analysts as they try to understand what drives human affinities. This might sound a little fanciful, but in the romantic as well as the corporate literature, successful alliances require the pursuit of partners with similar characteristics

in certain dimensions, but dissimilar characteristics in other dimensions.

The results, which we recently published in the journal *Marketing Science*, go beyond the earlier debate between the “birds of a feather” and “opposites attract” schools and reveal a more nuanced picture of the qualities of a successful brand alliance. We thought it would be possible to predict whether people would like a particular alliance based on the (dis)similarity in brand images.

In the first stage of the project, we used Jennifer Aaker’s brand personality framework to map the brand images of 100 top brands. Aaker created a framework consisting of five dimensions, which are: Sincerity, Competence, Excitement, Sophistication and Ruggedness (table 1). After mapping the brand images of 100 brands, we matched them all into 1,200 different pairs, and asked people how they felt about each alliance. We used the degree of similarity and dissimilarity in brand image profiles to predict the liking of a brand alliance.

Our findings support the belief that birds of a feather should flock together, because alliances composed of brands *similar* in Sophistication and Ruggedness, tend to be better liked. However, we also found support for the contention that opposites attract, because alliances composed of brands that are *dissimilar* in Sincerity and Competence, tend to be better liked. It seems as if successful alliances are characterised by partners that look similar on the “outside” (eg, feminine, upper-class, masculine, Western, etc.), but ►

Brand Personality Dimension	Example Brands	
	Very low	Very high
<b>Sincerity</b> captures a brand that is perceived as having a down-to-earth, real, sincere, and honest brand personality.	Red Bull Shell	Pampers IKEA
<b>Competence</b> captures a brand that is perceived as having an intelligent, reliable, secure, and confident brand personality.	Dr. Pepper Pizza Hut	Sony Mercedes
<b>Excitement</b> captures a brand that is perceived as having a daring, exciting, imaginative, and contemporary brand personality.	DHL Kleenex	MTV Red Bull
<b>Sophistication</b> captures a brand that is perceived as having a glamorous, upper-class, good looking, and charming brand personality.	Colgate KFC	Chanel Prada
<b>Ruggedness</b> captures a brand that is perceived as having a masculine, Western, tough, and outdoorsy brand personality.	Disney Nivea	Harley Davidson Diesel

Table 1.

“...successful alliances require the pursuit of partners with *similar characteristics* in certain dimensions, but dissimilar characteristics in other dimensions.”

# Making better partner matches in brand alliances (continued)

By **Bram Van den Bergh**

“Our research makes *selecting a brand partner* somewhat easier, but it won't suit every case”

somewhat different on the “inside” (eg, honest, genuine, reliable, responsible, etc.). Finally, combinations of Exciting brands, irrespective of (dis)similarity, resulted in favourable evaluations.

Although the aim of this research was to identify drivers of brand fit, our methodology allows managers to select ideal partners to form brand alliances. For example, our insights could help brand managers at Philips to select the best fitting coffee brand. The alliance with Douwe Egberts has been successful, but an alliance with Illy, Nescafé, or Lavazza might have been even better. Likewise, brand managers at Douwe Egberts might have teamed up with Siemens, Sony or Electrolux – rather than Philips.

Our research makes selecting a brand partner somewhat easier, but it won't suit every case. Other benefits of brand alliances, such as cost-savings or access to a partner brand's market, may outweigh the cost of pairing two incongruent brands. Further, it may be that while we have identified winning criteria for a short-term alliance, a long-term alliance may well function differently, in the same way that people look for different qualities in a one-night stand than a marriage: the ideal brand profile of a partner providing McDonald's a novelty gift in a Happy Meal may well differ from the ideal profile of a shopping centre where it takes a 10-year-lease.

Most of all, however, the next important question to ask is the one practitioners' most want the answer to: does the degree of fit between allied brands influence any hard metrics, such as sales or market share? ■

This article draws its inspiration from the paper *Partner Selection in Brand Alliances: An Empirical Investigation of the Drivers of Brand Fit*, written by Ralph van der Lans, Bram Van den Bergh and Evelien Dieleman and published in the journal *Marketing Science*, 33(4):551-566. <http://dx.doi.org/10.1287/mksc.2014.0859>

**Bram Van den Bergh** is Associate Professor, Department of Marketing Management, Rotterdam School of Management, Erasmus University.

EMAIL [bbergh@rsm.nl](mailto:bbergh@rsm.nl)

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